

# Doing Business with the USA



## Afaceri cu Statele Unite Sfaturi pentru antreprenori

Gregory Winstead  
Political/Economic Section  
U.S. Embassy Chisinau

# Current Trade Patterns

- Existing trade as a guide to opportunities
  - U.S. data show bilateral trade in 2011 totaled \$55.6 million – up 10.5% from 2010
  - Moldovan data indicate \$104.6 million
  - Discrepancies
- Trade in 2011 with neighboring countries
  - U.S.-Romanian trade at \$2.35 billion – up 38.2%
  - U.S.-Ukrainian trade at \$3.56 billion – up 48.3%

# U.S. Trade Data

- \$39.3 million in U.S. exports in 2011 to the Republic of Moldova (+3.7%)
- Top exports:
  - Food Manufactures (-2%)
  - Computer and Electronic Products (+116%)
  - Machinery, except Electrical (+65%)
  - Chemicals (-22%)
  - Electrical Equipment, Appliances & Components (+369%)
  - Transportation Equipment (+20%)

# Republic of Moldova Data

- \$79.7 million in U.S. exports in 2011 to the Republic of Moldova (up 28.9%)
- Top Imports from the United States :
  - Machinery & Mechanical Appliances (+141%)
  - Vehicles/Automobiles (+148%)
  - Photographic & Medical Equipment (+106%)
  - Electrical Machinery & Equipment (+178%)
  - Meat/Poultry (-47%)
  - Pharmaceuticals/Medications (-11%)

# U.S. Trade Data

- \$16.2 million in Moldovan exports in 2011 to the United States (+30%)
- Top exports:
  - Apparel Manufacturing Products (+32%)
  - Beverages & Tobacco Products (+87%)
  - Leather & Related Products (-25%)
  - Textile Mills Products (-3%)
  - Food Manufactures (+1%)
  - Miscellaneous Manufactured Commodities (+24%)

# Republic of Moldova Data

- \$24.9 million in Moldovan exports in 2011 to the United States
- Top Exports to the United States:
  - Cigarettes & Tobacco Products (-10%)
  - Beverages & Alcoholic Products (+132%)
  - Plants, Fruits & Seeds (+52%)
  - Wheat & Mixed Grains (-36%)
  - Furniture & Lamps (-9%)
  - Cooking Products/Flour (+46%)

# Trade with Romania

- Romania - \$2.35 billion in total trade
  - Imports from USA (\$914 million): Computer and Electronic Products; Minerals & Ores; Machinery, except Electrical; Transportation Equipment; Petroleum & Coal Products; Chemicals
  - Exports to USA (\$1.439 billion): Chemicals; Fabricated Metal Products; Primary Metal MFG; Computer and Electronic Products; Transportation Equipment; Apparel Manufacturing Products

# Trade with Ukraine

- Ukraine - \$3.5 billion in total trade
  - Imports from USA (\$2.1 billion): Minerals & Ores; Machinery, except Electrical; Transportation Equipment; Chemicals; Fish & Other Marine Products; Computer and Electronic Products
  - Exports to USA (\$1.46 billion): Primary Metal MFG; Chemicals; Petroleum & Coal Products; Transportation Equipment; Nonmetallic Mineral Products; Minerals & Ores



# Armenia, Macedonia and Moldova

- Landlocked countries with similar size of population and economic histories
- Gross domestic product
  - Armenia - \$9.3 billion
  - Macedonia - \$9.2 billion
  - Republic of Moldova - \$5.8 billion
- Comparison to U.S.-Ukrainian/Romanian trade

# Top Six Imports from the USA

- Armenia (\$94.3 million): Machinery, except Electrical;  
Food Manufactures; Computer and Electronic  
Products; Transportation Equipment; Misc.  
Manufactured Commodities; Chemicals
- Macedonia (\$37.2 million): Primary Metal Mfg;  
Computer and Electronic Products; Machinery, except  
Electrical; Chemicals; Misc. Manufactured  
Commodities; Electrical Equipment, Appliances and  
Components

# Top Six Exports to the USA

- Armenia (\$92.5 million): Primary Metal MFG; Beverages and Tobacco Products; Misc. Manufactured Commodities; Food Manufactures; Machinery, except Electrical; Apparel Manufacturing Products
- Macedonia (\$52.5 million): Agricultural Products; Apparel Manufacturing Products; Primary Metal MFG; Food Manufactures; Furniture and Fixtures; Fabricated Metal Products

# Generalized System of Preferences (GSP)

- Provides preferential duty-free entry of goods into the United States -- a competitive edge
- Excludes certain goods, especially apparel, textiles and most footwear and leather items
- Goods imported directly from Moldova or via a bill of lading from another country
- Goods must be grown, produced or manufactured in Moldova
- Importer must request duty-free treatment
- Requires Congressional reauthorization

# Moldova & GSP

- Previous types of Moldovan goods benefitting from GSP:
  - Grape wine, including sparkling
  - Vegetables, prepared or preserved
  - Plastic stoppers, lids, caps
  - Flags and certain textile articles
- Previous goods eligible, but not claiming:
  - Grape wine
  - Plastic products for purses/pockets
  - Glass components of lamps and light fixtures

# Conclusions

- Expand on areas where trade is working
- Growth in Moldovan imports of computers, electrical equipment, machinery & transportation equipment
- Expansion of exports of apparel/textiles, beverages & foodstuffs
- Take advantage of GSP benefits
- Consider new opportunities
  - Trade shows
  - Commercial News